

**Department of Transport and Regional Services  
(DOTARS)**

**Regional Analysis and Performance Branch**

**Analysis and Evaluation Section**

**A SUMMARY OF THE IMPACTS AND PERFORMANCE OF A  
SELECTION OF DOTARS REGIONAL PROGRAMMES**

**INTRODUCTION**

Often the contribution the Australian Government makes through its regional programmes is not well understood. It is easy for those not working with regional and community groups to question their impact. Yet for those Australians who want to make their communities better places for themselves and their families to live and work, they remain very important. The following demonstrates that Government contributions over recent years for three of its key regional programmes have had a significant impact. These programmes act as a strong catalyst for attracting additional investment from other sources including the private sector to local projects and community capacity building. Partnerships formed through these programmes produce far greater benefit across a range of project types and activities than is often appreciated.

**BACKGROUND**

This summary looks at the impacts and performance of DOTARS' regional programmes as captured in three recent reports: (1) *Evaluation of the Commonwealth's Dairy Regional Assistance Programme (Dairy RAP)*, Deloitte (2004); (2) *Evaluation of the Commonwealth's Regional Assistance Programme (RAP)*, Deloitte Touche Tohmatsu (2004); and, (3) *First Internal Evaluation Report Regional Partnerships*, DOTARS (2004).

**1. EVALUATION OF DAIRY RAP**

***Background***

This Deloitte evaluation on Dairy RAP focussed on the programme's impacts from the time early 2000 to June 2003, when it was subsumed into Regional Partnerships. Dairy RAP was part of the Government's \$1.94 billion *Dairy Industry Adjustment Package* (DIAP) which also included the Dairy Structural Adjustment Program and the Dairy Exit Program.

As only one component of a broadly based policy initiative, Dairy RAP did not seek to create new job and other opportunities for everyone affected adversely by dairy industry deregulation. Instead, the Programme sought to provide partial support to complement DIAP as a whole. Dairy RAP provided funding to both commercial and non-profit organisations for projects to bolster employment and strengthened other aspects of regions affected by dairy industry deregulation.

## ***Summary of Key Findings***

There were 326 projects initially funded under Dairy RAP, at a total cost of approximately \$66m (GST inclusive). Of these, 308 projects progressed through to implementation at a total cost of approximately \$62m (GST inclusive).

In summary, Deloitte evaluation concluded:

- Dairy RAP created 2,642 full-time jobs during the funding period, and 3,513 long-term jobs, which equates to 2.8 new, long-term, sustainable jobs for every \$50,000 of Programme funds (or \$17,596 per job).
- 39 per cent of new jobs went to previously unemployed people, while 14 per cent went to displaced dairy workers.
- average Dairy RAP project funding was significantly higher in those regions most affected by dairy industry deregulation, compared to less affected regions.
- two thirds of funded organisations supported under Dairy RAP responded that job outcomes had equalled or exceeded their expectations.
- 95 per cent of survey respondents indicated that the non-job benefits to the local economy had equalled or exceeded their expectations.

As well as the above, under Dairy RAP most projects assisted commercial enterprises to invest in buildings and equipment with the capacity to support growth by bolstering business size and supporting product and market diversification. DRAP also supported a number of non-jobs, capacity building, activities including enhanced local networking and collaboration, skill enhancement and local knowledge building.

## ***2. DELOITTE RAP EVALUATION***

### ***Background***

RAP commenced under a new set of guidelines in 1999. Allocated to non-profit organisations across metropolitan, regional and remote areas of Australia, funding from the Programme was directed towards generating employment by encouraging local community action to boost business growth and create sustainable jobs. RAP provided seed funding for innovative, quality projects of value to the community.

A RAP application for funding was a community based proposal linked to one or more of the following benefits - generating new jobs, improving the skills base, tackling disadvantage, encouraging business growth and providing support infrastructure. In their applications for funding, organisations were expected to demonstrate a clear path to improved job outcomes and/or an ongoing economic or other benefit.

### ***Summary of Key findings***

More than 1,200 projects were funded under the Programme since 1999, at a total cost of \$73.9 million. Over 80 percent of projects were centred in rural and remote locations. Of the 1,200 projects which were approved between 1999 and 30 June 2003: by early 2003;

- 570 were complete, 531 were in-progress, 13 were terminated by DOTARS and six were withdrawn by the applicants;

- the majority were centred in regional areas (599 projects), followed by remote areas (278) and metropolitan areas (243);
- the majority fell within the DOTARS categories of tourism (257), business recovery and expansion (92), industry diversification (83), agribusiness (60), business plans (53), business clusters (53), infrastructure (52), feasibility (48) and indigenous (46);
- 298 applications for funding were rejected by DOTARS - 108 in metropolitan areas, 123 in rural areas and 67 in remote areas;
- the average value of funded projects was \$60,446, with these values ranging from a high of \$74,436 in Western Australia to a low of \$55,172 in Tasmania;
- 45 of the 56 regions represented by Area Consultative Committees across Australia had participated in the Programme.

Based on the results of the survey, RAP is conservatively estimated to have created 4,177 full-time equivalent jobs during the period in which Programme funding was made available for projects and 5,342 full-time equivalent jobs in the longer term.

Based on conservative estimates, Programme wide impacts equate to:

- 3.1 new jobs being created for every \$50,000 of RAP expenditure during the funding period or one new job for every \$16,206 of Programme outlays directed to project activity; and
- 3.9 new jobs being created for every \$50,000 of RAP expenditure after the funding period or one new job for every \$12,673 of Programme outlays directed to project activity.

Interestingly, the highest numbers of new jobs created were in regional areas, the agribusiness and tourism industries and projects involving business planning and feasibility studies, industry development and networking.

Deloitte's found that factors particularly important to facilitating the dissemination of jobs across the community were local networks, the work of community and business groups, websites and promotional publications. Taken together, survey results pointed to networking as particularly important to regional growth and development.

### ***3. FIRST INTERNAL EVALUATION REPORT REGIONAL PARTNERSHIPS (RP)***

#### ***Background***

The first *Internal Evaluation Report* analysed funding patterns and programme activity under the RP programme for the period 1 July 2003 to 30 June 2004.

This analysis looks at the RP programme in five sections:

1. Applications and Approvals
2. Outcome/stream activity
3. Project type activity
4. Partner co-funding
5. Activity by location

Findings under Applications and Approvals include all 357 applications under RP for the period under analysis, while the other sections focus on the 271 approved projects only.

There are some limitations on the analysis as the contribution from Partner types does not properly capture totals provided by all Partners by type (i.e. the Report does not

break down Applicant contributions across other partner categories).

### ***Summary of Key findings***

In total DOTARS contributed \$34.6m toward partnerships in 271 projects between 1 July 2003 and 30 June 2004 under the RP programme. Other Partners (non-DOTARS) contributed an additional \$110.5m in cash and/or in-kind toward RP projects. On average non-DOTARS Partners contributed just over \$3 (\$3.19) for every DOTARS \$1.

#### ***1. Applications and Approvals***

Between July 2003 and June 2004 some 76 per cent of all applications received under RP were approved by Ministers for funding. There appears to be no relationship between the rates of approval between outcomes/streams, nor is there any major bias towards particular project types or to projects with high Partner contributions. The project type *Accommodation, Cafes and Restaurants* has the highest approval rating (91 per cent) under RP.

#### ***2. Outcome/Stream activity***

Of the four RP outcome/streams the most active is *Strengthening Growth and Opportunities*. This outcome/stream accounts for 93 per cent of DOTARS funding spent under RP, and 86.3 per cent of all projects (234). Other non-DOTARS Partners (Applicants and Secondary combined) make their highest contribution, \$107m (or 97 per cent) to projects in this outcome/stream.

#### ***3. Project Type activity***

The *Report* used 18 project types based on a standardised set of industries defined by the Australian Bureau of Statistics, used for the production and analysis of official industry statistics in Australia and New Zealand.

There are 70 *Cultural and Recreational Services* projects, the largest of any project type. This project type also has the largest proportion of total DOTARS funding under RP (\$10m or 28 per cent) and attracted the most funding from non-DOTARS Partners (Applicant and Secondary combined), \$41m or 37 per cent.

The next highest number of projects by project type are *Health and Community Services; Agriculture, Forestry and Fishing; and Accommodation, Cafes and Restaurants*. Along with *Cultural and Recreational Services* these four project types account for 65 per cent of the total number of RP projects funded between July 2003 and June 2004. The same four project types also attracted 62 per cent of all DOTARS contributions under RP.

Manufacturing (\$206,798) and Communication Services (\$148,145) project types receive well above the average DOTARS contributions per project under RP (DOTARS average \$127,853). However, both these project types attract less than the average Partner contribution per project, while Communication Services, Retail Trade and Education projects types receive the lowest non-DOTARS Partner contribution.

#### **4. Partner Co-funding**

Under RP, the Applicant partner category makes the highest total contribution of \$41m to all DOTARS supported projects, at an average contribution of \$152,474 per project. This equates to \$1.19 for every \$1 DOTARS contribution under RP.

Australian Government Agencies and State Governments are never Applicants, so the figures for these Secondary Partner types represent their actual contribution to the DOTARS supported projects under RP. State Governments have contributed \$32m which almost matches DOTARS project support (\$34m) between 1 July 2003 and 30 June 2004. This State Government contribution equates to an average of \$0.93 for every \$1 of DOTARS support under RP. Other Partners which includes Local Government, the Private Sector, Community Organisations, Universities and Research Organisations and other Australian Government Agencies, when combined, contribute \$36.8m, or an average of \$1.07 for every DOTARS \$1 under RP.

#### **5. Activity by Location**

It is worth noting that all fifty applications for RP funding from Western Australia were approved during the period under analysis. Western Australia also accounts for over half of total RP funding (\$5m) for the project type *Cultural and Recreational Services*.

Of all states and territories, Western Australia received the largest total amount of funding from RP, as do projects in that State from other funding sources: State Government, Private Industry, other Australian Government Agencies, and the second highest from Applicants. Yet, along with Queensland, Western Australian projects average the lowest contribution from Local Government of all the mainland states.

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